THE MINISTER OF HOME AFFAIRS (SHRI S. B. CHAVAN): Sir, we propose to announce tomorrow.

THE VICE-CHAIRMAN (PROF. CHANDRESH P. THAKUR): That is very welcome. Now the question is:—

"That the Bill be passed"

The motion was adopted

THE VICE-CHAIRMAN (PROF. CHANDRESH P. THAKUR): Now the question is:—

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the State of Punjab for the services of a part of the financial year 1991-92, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted

THE VICE-CHAIRMAN (PROF. CHANDRESH P. THAKUR): We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 and 3 and the Schedule were added to the Bill

Clause 1, the Enacting Formula and the Title were added to the Bill

SHRI SHANTARAM POTDUKHE: Sir, I beg to move:—

"That the Bill be returned."

The question was put and the motion was adopted

THE FINANCE (NO. 2) BILL, 1991

THE VICE-CHAIRMAN (PROF. CHANDRESH P. THAKUR): Now we have to take up the Finance Bill.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Sir, I beg to move:—

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1991-92, as passed by the Lok Sabha, be taken into consideration."

Sir, I had, in my Budget Speech on 24th July, 1991, explained the main features of the proposals contained in the Bill. The explanatory memorandum circulated to the hon. Members also contains the details of the specific provisions in the Bill. I do not, therefore, propose to traverse the same ground once again.

I feel gratified that the Budget has evoked a great deal of interest. During the general discussion on the Budget many useful suggestions with regard to some of the provisions contained in the Bill were made by the hon. Members from both the Houses. I have also received a large number of representations from members of the public, trade unions, chambers of commerce, voluntary organisations and professional bodies on the proposals in the Bill. I am grateful to all of them for giving us their valuable suggestions.

I would like to assure the hon. Members that we have given careful consideration to all points which have been made with reference to our proposals. Consequently, certain amendments to the Bill were moved in the Lok Sabha. These have been accepted and incorporated in the Bill as passed by the Lok Sabha. I seek the indulgence of the hon. Members to explain some of these amendments.

Taking up the provisions for direct taxes first, the propsal with regard to the tax concession for exporters under section 80HHC of the Income-tax Act has been modified to give further fillip to exports. Profit on sale of Exim scrips, receipts by way of duty drawback and payments under IPRS will now be treated as export profits in the proportion of the export turnover to the total turnover of the business. This, I am sure, will motivate greater export effort. Hon. Members will recall that I had proposed certain modifications in the scheme of tax concession for tourism industry, contained in Section 80HHD of the Income-tax Act. The modifications

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proposed in the Bill were intended to ensure that this tax concession would also be available where payments for providing services to the foreign tourists are received in Indian currency from another hotel, tour operator, etc., out of funds obtained by conversion of foreign exchange received from the foreign tourists. In the representations received by me, it has been pointed out that under the proposal in the Bill, the tour operators would stand to lose Recognising the role played by tour operators in attracting foreign tourists, an amendment has been made to the Bill to secure that the receipts in foreign exchange, eligible for computing the concession, do not get reduced by the payments made to another hotel, tour operator, etc., for providing service to foreign tourists.

In my Budget speech, I had announced that the tax concession available to Indian companies in respect of receipts of royalty, commission, fees and similar payments from a foreign source for export of technical know-how or for rendering of services outside India, is to be extended to the non-corporate resident tax-payers. This tax concession has been further enlarged to make it available to technical or professional services rendered from within India to concerns abroad. This will however, not cover cases where the technical or professional service is rendered to non-residents in India. The existing requirement of obtaining prior approval of the tax authorities, in respect of agreements with the foreign concern will hereafter not apply.

In the Bill, I had proposed that interests on sticky loans in the case of financial institutions and banks will be charged to income-tax only for the year in which interest is actually received, or is credited to the profit and loss account, whichever is earlier. A similar provision has been made with regard to interest tax also. Tax on such interests will be now charged only in the year in which they are actually received, or are credited to the profit and loss account, whichever is earlier.

Hon. Members would recall that I had stated in my Budget speech that the credit institutions will have the freedom to pass on the burden of interest tax to the borrowers by adjusting suitably the rate of interest. It has been brought to my notice that in many cases where term loans have already been sanctioned, the credit institutions may not be able to vary the rate of interest because loan agreements do not contain a provision permitting such variation. The Bill now contains a provision to give overriding legal authority to the institutions to vary the rate of interest, if they so desire, in order to pass on the burden of interest tax to the borrowers. There is also a proposal to exempt from the imposition of interest tax, co-operative land mortgage banks, co-operative land development banks and co-operative societies engaged in the business of banking which cater primarily to the needs of farmers, village artisans, etc.

My proposal to extend the coverage of the expenditure tax to the expenditure incurred in restaurants providing superior facilities like air-conditioning has been generally welcomed because these restaurants are patronised by the affluent sections of the society. It has been pointed out that the criteria for identification of such restaurants are cumbersome in the form in which it is contained in the Bill. This has now been modified, and the Bill now provides for a single criterion, which will be that the restaurant is air-conditioned.

Some amendments have been made in the Bill relating to deduction of tax at source from certain payments. The requirement to deduct tax from interest on bank deposits will apply only to interest on term deposits other than recurring deposits. Further, co-operative land mortgage banks, co-operative land development banks, primary agricultural credit societies and primary credit societies will be taken out of the purview of this requirement. We would, thus, exclude from the ambit of tax deduction at source most of the depositors from rural areas.

It has been brought to my notice that the proposed requirement of deducting tax at source from winning from races and persons responsible for paying these payment of commission on sale of lottery tickets would impose a heavy burden on

persons responsible for paying these amounts. With a view to mitigating this hardship, the Bill now provides a threshold limit of Rs. 2,500 for deducting tax at source from winnings from horse races and Rs. 1,000 for tax deduction at source on commission on sale of lottery tickets.

As regards the computation of depreciation for the purpose of calculating business profits, the Bill now contains a provision not to allow depreciation in respect of any plant and machinery the cost of which gets amortised in one or more years, under any other provision of the Income-tax Act.

The Bill contains a proposal to amend *Section 273A of the Income-tax Act* and section 18B of the Wealth-tax Act to provide one more opportunity for disclosing unaccounted income and wealth. This proposal has been modified to provide that it will be available only up to 31st March, 1992.

The Vice-Chairman (Dr. Nagen Saikia) *in the Chair.*

I have also modified the proposal under which the discretion of the Income-tax authorities to entertain application for registration of charitable or religious trusts and institutions will be restricted to three years from the date of creation of the trust or establishment of the institution. It now provides that a trust or institution may apply for registration at any time. However, an application made after the expiry of one year from the date of its creation or establishment will not relate back to the date of such creation or establishment unless the delay beyond one year is for good and valid reasons.

At present interest on National Savings Certificate VI Issue and VII Issue qualify along with incomes from certain other financial assets, for deduction under section 80L of the Income-tax Act. Interest on National Savings Certificate VIII issue does not qualify for this tax concession. As Hon'ble Members know, small savings is an important source of revenue for the States. With a view to encouraging investment by taxpayers in National Savings Certificates, the benefit of section 80L of the Income-tax Act is being extended to interest on National Savings Certificate VIII Issue.

The Bill contains a proposal for removal of a distortion in the rules of valuation of assets for wealth tax purposes, when these are held through an investment company. I have since examined one more aspect of the wealth tax structure which needs immediate attention. There has been a marked speculative upsurge in market quotation of certain shares over the last few years. Recognising the distortionary effect under such market conditions, we had introduced in 1989 the option to the taxpayers to adopt a five-year average of the market quotations of shares. The share market has continued to rise since then. There is thus a need to provide for averaging over a longer period of ten years. In order to effect this change, the Bill now contains a proposal to amend Rule 9A of Schedule III to the Wealth-tax Act. The same method will apply for revaluing quoted shares of an investment company under Rule 12 of Schedule III to the Wealth-tax Act.

I would now like to dwell on the concessions relating to indirect taxes which have been given effect to through notifications, which will be laid on the Table of the House in due course.

As a measure of relief to the film industry which is suffering from high input costs and severe competition from the Cable TV and video industry, I propose to reduce the basic and auxiliary customs duties on colour jumbo films for processing into colour cine films from the level of 90 per cent to 55 per cent. The estimated revenue loss is of the order of Rs. 20 crores in a full year. I trust this concession will help to bring about a qualitative improvement in the feature films produced in our country.

In my Budget Speech I had proposed to exempt a number of agro-based products such as sauce, butter, cheese, etc. from excise duties altogether. On the same analogy I now propose to fully exempt from

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excise duty fruit pulp based beverages, soups, broths and powders of fruits and vegetables. The revenue loss on account of the exemption is likely to be Rs. 9 crores in a full year.

In order to help manufacture of cheaper penicillin drugs I am exempting from import duty, Penicillin V acid first crystals for making 7-ACCA and to reduce excise duty on Potassium Penicillin G first crystals from 15 per cent to 5 per cent. In order to encourage manufacture of finished life saving drugs, I also propose to exempt from import duty two bulk drugs, viz. cefotaxime and ceftriaxone. Further, I propose to reduce the import duty on intravenous cannulae and tubing for long term use from 110 per cent to 40 per cent, which is the duty applicable to infusion sets.

As the Hon'ble Members are aware, I have restored the exemption from excise duty to polyamide chips used in the manufacture of nylon yarn in order to ensure that there is no additional duty burden on such yarn used for making fish nets. As a measure of relief to the plastic container industry, I now propose to reduce the excise duty on polyethylene terephthalate chips from 40 per per cent to 20 per cent.

I propose to extend the concessional excise duty of 15 per cent available to soaps of value not exceeding Rs. 35,000 per metric ton to soaps of value not exceeding Rs. 38,500 per metric ton.

In my Budget Speech I had proposed to exempt all black and white television sets from excise duty and shift the burden to picture tubes. There have been representations that the proposal had resulted in the cumulative incidence of excise duty going up mainly as credit of excise duty paid on inputs under the MODVAT scheme is no longer available. I propose to virtually neutralise the additional incidence by reducing the excise duty on picture tubes for black and white TV sets of screen size exceeding 36 cms from Rs. 300 to Rs. 275 per tube and to exempt TV chassis for such sets from excise duty.

I propose to exempt from excise duty plaster of gypsum including plaster of Paris which is mostly manufactured in the organised sector.

I propose to reduce the import duty from 40 per cent to 30 per cent on subcomponents, components and machinery for the manufacture of fuel injection equipments, for which building up of indigenous capacity needs to be encouraged.

I do not propose to take up the time of the House by dealing with a few other amendments in the Bill which are merely by way of drafting changes or are of a procedural or consequential nature. I request the hon. Members to lend their whole-hearted support to this Bill as passed by Lok Sabha.

The question was proposed.

SHRI JAGESH DESAI (Maharashtra): Sir, I seek a clarification from the Minister. He said that he proposes to extend the coverage of the expenditure tax to the expenditure incurred by restaurants providing superior facilities and that this proposal has been welcomed. Sir, I would like to know as to who has welcomed this proposal while there are thousands of people who have nothing to eat... (*Interruptions*)...

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): Mr. Desai, you can speak when your turn comes. Yes, Mr. Gurupadaswamy.

SHRI M. S. GURUPADASWAMY: Mr. Vice-Chairman, Sir, I had spoken on the new Industrial Policy that was announced by the Government a few weeks ago. Now, I do not want to traverse the same ground. The Budget is an important statement of accounts and it is meant to throw light on the present economic situation, the problems the country faces and the proposals which are meant to

solve those problems. It has been my experience and the experience of others that once the budget is introduced by the Government, it is passed by the Houses of Parliament almost intact. The changes that are announced by the Finance Minister after the introduction of the budget are always peripheral in nature. They are not substantial. This applies to the present budget also. To overcome the peremptory and ineffectual debate on the budget, England has evolved a system. In England, the Budget is considered in all details. And the Demands are gone through, all the Ministries are discussed by the Committee of the whole House. After the introduction of the Budget, in the U.K., the House of Commons sits as the Committee of the House without the Speaker.

We have been experiencing for many years in India that only a few Ministries are discussed, not all. I do not blame the Government. Because of pressure on time, we discuss a few Ministries in Lok Sabha, a few Cut Motions, if there are any. But the Ministries are not discussed. Of late, the Ministries discussed in Parliament are becoming less and less. In the First Parliament, we discussed a large number of Ministries, a large number of Cut Motions. But over the years, as I said, there is a decline in debate in the sense we discuss only a few Ministries and later on guillotin is applied. So, there is no real debate on the Budget. Therefore, I suggest that there should be a change, a reform in our system also as in England that the Houses of Parliament should be converted into House Committees, without the Presiding Officers. And the entire House can sit and call any officials to appear before us. There can be an exchange of views, and a real debate, a real discussion can take place there. This is my suggestion to begin with.

It is also my experience that no two economists agree. There is a saying that if you put all the economists of the world, side by side and ask them to discuss, in the end, you will see that they will not reach any conclusions. Therefore, we need not pay much attention to what a particular group of economists say. The Houses of Parliament should exercise their own judgment on the Budget. The main yardstick in measuring whether the Budget is good or bad s whether it is going to benefit the common man or not. We are formulating a Budget in a developing country, no' in an advanced country where a lot of sophistication can be brought in. Here, we should primarily consider whether the Budget proposals are going to respond to the needs and aspirations of the common people or not. That should be the main yardstick. From that point of view I say that there is no suggestion or indication in the Budget to ensure social accounting—social accounting of what you do through the Budget. If the Budget could take care of all the major problems of the country, then the country would not have been in this pitiable situation. It would have been very well-off. That is not so.

So my second point is, the overriding consideration of the Budget is to have social accounting.

What is the fall-out of this Budget on the life of the common man? And what is the fall-out of the Budget on development? Sir, we have been talking of simplification of direct tax laws and indirect tax laws. There have been efforts in the past in this direction. But somehow we have not been able to smplify and rationalise the tax structure. Even now it is beyond ordinary man's understanding to know how the tax laws are operating in the country. They are very complicated and complex. It is said that we are one of the highest taxed countries in the world; If that is so, why should there be paucity of funds? We should have mopped up large resources. It is always necessary to remember that whenever you take decisions, those decisions should be capable of being implemented. It is the implementaton which is important. No use formulating gradiose schemes incorporating laudatory concepts if the machinery is not capable of implementing those things. Take, for instance, the recent development. In the past every income-tax

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return used to be scrutnized. Even the smallest income-tax assessee had to go to the Income-tax official. Only after scrutiny he would get clearance. Now it is not done. Why is it not done? The staff is not adequate. They do not have the necessary means to cope with the workload. So, there is no screening of any sort. They are only screening in a random way. So many people escape taxes. If the tax machinery is incapable of coping with the task and if small tax-payers are to be treated very liberally then why not the Finance Minister accept the plea by certain quarters that the tax exemption limit should be raised? I am not talking of other reasons. The cost of living is one of them. Whom are you hoodwinking? I think, we are making a farce of taxes in this country. It creates a very false picture. My small point is there has got to be simplification and rationalisation of tax structure. The procedure has got to be thoroughly overhauled. If there are any loopholes which give scope for corruption—and corruption is so rampant in tax machinery—they have got to be plugged. Let us believe a tax-payer rather than a tax officer or a Tax Collector. Something radical has got to be done to rationalise the tax machinery and procedure. There is so much of arrears of tax. When we have been talking of paucity of resources, then why don't you collect arrears which are due in thousands of crores? The arrears are more than Rs. 4000 crores, I am told. I think the collection machinery has got to be geared up. Of late we have seen a new development in our economic system and that is, the non-banking financing institutions are becoming more important. It was not so in the past. The banking sector was taking care of the requirements of the industrial and trade sectors in the past. Now, non-banking financing institutions are coming up in a large number. They are financing. They are charging high rate of interest. People go to them. Their operations are larger than some of the banks. I don't think it is a healthy development. If you want the bank structure to work well on sound lines and if the banking has got to grow. I think there should be a strict curb on the growth of non-banking financing sector. I think, some time back the Conference of the Economists also discussed this matter. They had made a suggestion to the Government that there should not be any competition between banks and non-banking finacing sector. That should stop. Today the banks are in a very bad shape and facing a lot of difficulties. The Finance Minister should look into this matter. The customer service has become very bad and is deteriorating day by day. People do not go to the banks so much nowadays. The trust and confidence in the banking sector is diminishing. The Finance Minister should look into this matter and apply correctives. The banking in the country should be put on a sound footing.

There is another disturbing trend in the economy. There has been a large network of middlemen operating. For every thing, we go to the middlemen, agents, liaison officers and wheeler-dealers to get things done in the Government. Why? It is because of the difficulties people feel in getting things done n the Government. The procedures are so complicated that even an intelligent person is not able to get things done in the Government so easily. Therefore, he resorts to this method. There is a national network of middlemen. There is cost overrun, time overrun, and all this is due to procedure that you have evolved over a period of years. There are a lot of mechanisms and devices which can be dismantled thoroughly and completely without damage to our system; on the contrary, it will improve the efficiency. I would like my friend to look into this aspect. Individual Ministries should be given full responsibility. Why should there be interference by other Ministries? I know of cases where decisions are taken by the Cabinet and they are scuttled by the officials. We have invented the device of inter-departmental committees of Secretaries, Joint Secretaries, and what not. Why should these things go on at all?

individual Ministry should scrutinise all the projects and go to the Cabinet straightway but that is not the system we have created. Britishers have dismantled this system; but we have copied the Britishers and we have elaborated the procedure and made it more and more complicated. That is the reason why your one-window system has not worked anywhere, neither at the Central level nor at the State level. Even when you announce that no permission is required, no licence is required, they have got to run to your Ministry for something or the other. And then there is delay. Therefore, I would like absolute fiscal autonomy to the individual Ministries so that they can operate and the Cabinet and individual Ministries should have the last say in the matter. It should cut down this time-lag, administrative drag which has come in the way over a period of years.

There has been a good deal of discussion about governmental expenditure. I know he is under terrible pressure for lack of resources and the plans have gone awry, partly because of lack of finance and partly because of lack of implementation. Take the case of unutilised foreign money we have got for the various projects. We have got lot of money for individual projects from the World Bank. But they remain unutilised and we have to pay committed charges on that, because of the agreement we have entered into with the World Bank and other international bodies. So the money is sanctioned but we cannot utilise that money because there is no matching money provided here. The result is that we have to pay interest and they are called committed charges. Every individual Ministry is a culprit Ministry. We have not looked into this problem. It runs into thousands of crores of rupees, that is, more than Rs. 4000 crores. The Finance Minister wants to get Rs. 4000 crores by way of foreign exchange. Money is available. But we have not utilised it because we are inefficient. I know, he has confessed that the performance in the past is far from satisfactory. I agree with him. Before I come to two other important things which I want to say, I would like to refer to the Ninth Finance Commission's Report about the revenue deficit. The revenue deficit arose only at the beginning of 1980s in a small way. It has become too big a thing now. Every year, the deficit is increasing. So, we are forced to borrow money to finance the current expenditure. That is the meaning of revenue deficit. There is no end to it. Even the Government has drawn money from the oil pool account which is meant for development of the oil sector. They have taken that money for financing the Budget. The Government has suffered credibility gap. The Ninth Finance Commission has stated that revenue deficit should come to an end by the end of the Eighth Plan. I do not know whether this fond hope of the Finance Commission is going to come true. But, it has been recognised by all that if the revenue deficit mounts up and goes on like this, inflation is inevitable, deficit financing is inevitable and bodowing is inevitable. If you borrow money to finance the current expenditure, we have to pay interest. And the interest rate is very high. No country in the world will respect a Government which indulges in revenue deficit. As a matter of fact, there should be revenue surplus to finance development. In India, it is not so. The Capital Budget has got to finance the Revenue Budget. This should stop. Now, I am coming to two important aspects. I know you are watching me. I have got many things to mention. Anyway let me touch two important things. One is about the public debt which is inter related with this aspect; the second is about the technology transfer. On the public debt. I must say one thing that the total liabilities of the Government of India shot up from Rs. 59,749 crores at the end of March, 1981, to as much as Rs. 2,66,913 crores by the end of March, 1990, the terminal period of the Seventh Plan. This represents more than a four-fold jump at current prices, within a period of nine years. This works out to an average compounded growth rate

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of 18.1 per cent per annum. The Budget estimates for the fiscal year 1990-91 put the liabilities at Rs. 3,06,876 crores by end March, 1991. This envisages a 15 per cent increase. The end of March, 1981, level of indebetendness of the Government of India constituted 44 per cent of GDP in 1980-81. At the close of the Seventh Plan, the ratio of revised esimates of liabilities to the GDP of 1989-90, as estimated by the Reserve Bank of India, worked out to 60.3 per cent.

Now, there is a feeling that flow of foreign capital is going to help the Indian economy, that it will faster economic development. I think the Finance Minister has also said sometime back that if there are agreements between the companies here and the companies outside, the balance of trade would improve. But the past history, the previous experience shows that the flow of capital, instead of improving the balance of trade, instead of increasing the exports, has only increased the imports. They have not helped the coun try to increase oud exports. On the contrary, exports have declined and imports have increased. Even in respect of minority companies, export earnings are small. I do not want to go into the statistics. Only in respect of companies where it is technology collaboration, not equity participation, the picture is somewhat different. The trend in the balance of trade of collaborating units, generally, is of an increasing trade deficit.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): Mr. Gurupadaswamy, no time will be left for the other two Members.

SHRI M. S. GURUPADASWAMY: I will make just two-three points and then conclude.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): You have taken all the time that was allotted to your party.

SHRI M. S. GURUPADASWAMY: Sir, the record of the collaborating companies shows that, nowhere, it has improved the export performance. It has only increased their import bill. The importance of collaboration for expansion of export markets is just a myth, fostered by multinational foreign concerns and their collaborating Indian counterparts. Most collaboration agreements have regulatory clauses which are often overlooked. Most collaboration agreements have an export restriction clause and the foreign collaborators make it definite that their established markets are not to be encroached by others. The so-called export potential, through high technology, is a myth. The high technoolgy given is, in no case, permitted to offer any competition to the collaborator in that particular field outside India. Further, there is constraint in defusion of technology within the country. Technology borrowed cannot be permitted to be transferred to other concerns in the country, it has to be used by that concern only. There is no inclination nor the foundation on which to improve and contrinuously upgrade the technology. When the industry finds the on-going technology becoming obsolete after a few years and it must borrow new technology, there is no scope for improvement. Therefore, Sir, this so-called technology transfer benefiting Indian economy is a myth, it is not a reality.

The last one is about the multinationals. Wherever multinationals have come, they have exploited the local market and the economy has lost its initiative, local economy and national economy have lost initiative. India, while inviting multinationals to participate in our economic development will mean surrender of our independent initiative and total surrender of our self-reliance. We will be mortgaging our national interest to multinationals for equity participation or technology transfer, the country in the long range is not going to benefit. Only the example of Japan can be a model to us. Japan did not invite multinationals to participate in their economy. They sent their men and women abroad for

training in new technology and skills. They were trained, they came back. They got the technology, improved it, innovated it, changed it and today Japan is the most powerful country in the world. It is an economic super power. If India has got to be free and independent economically, we should folow the example of Japan.

I know, the Finance Minister has pressures. The conditionalities of the International Monetary Fund he has accepted, I know. This Budget is a document based on the suggestions made by the International Monetary Fund and by this Budget we have really mortgaged our interest, surrendered our independence. Let me tell you, the most important aspect to us is social justice. The Budget has totally left it. Social change and the economic transformation in the country can be brought about by utilising the human resources available in the country, and by developing our own technology. The people who are suppressed, oppressed and depressed in the country cannot be uplifted unless you develop your own technoolgy, your own system. By saying that we should integrate our economy to the world economy, you may land yourself in submitting yourself to the conditions and dictates of the multinationals.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): I have no objection if you take the time of your party but...

SHRI M. S. GURUPADASWAMY: I am sorry. I have exceeded my time. Finally I say that I would like my friend, the Finance Minister, to ponder over my observations and take suitable steps. Thank you.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): Honourable Member, the whole time of your party has been exhausted.

SHRI M. S. GURUPADASWAMY: Let us see.

PROF. CHANDRESH P. THAKUR (Bihar): Mr. Vice-Chairman, Sir, the Finance Bill is the last step in the budgetary exercise in this session of Parliament. This is an occasion to react to the revised tax proposals, but it also gives an opportunity to have a look at the overall economic scene.

Now, listening to my esteemed colleague, Shri Gurupadaswamy, one is not sure what exactly was the message he was trying to communicate. Nevertheless, three things I have heard. First, the desperate cry of his and his colleagues' that the country has been mortgaged to multinationals and international agencies. He has again repeated it. I think it is a very irresponsible statement which is based on total lack of understanding of the economic measures and the likely outcome of that. I would like to go on record that this Government, under no circumstances, will compromise with the independence of India. With full responsibility I can assure the Members of the House that the decisions which have been taken are our decisions and they have been taken in the best interests of the country, and keeping all options before us we have tried to come out with a package which will help in course correction.

The other point Mr. Gurupadaswamy mentioned is that India faces a credibility gap. That is one statement which one can readily accept, but let him not forget who contributed how much in this loss of credibility of the country. Within hours of assuming office in 1989, they started shouting from the housetops that the offers were empty. They took every possible step to make them emptier, and by the time they handed over charge to the successor Government, perhaps, the coffers were really the emptiest and the economy was in a very precarious position. The Government that followed them really followed their track record also, and, in the process, what the Finance Minister inherited is an economy characterized by a deep and acute crisis, as he has stated

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in his budget speech. So, Mr. Vice-Chairman, Mr. Gurupadaswamy is absolutely right that Indian economy lost international and domestic creditworthiness. Except that, I would have tought that he would gather courage and say that they take appropriate shade of the blame in the process. Nevertheless, there is still time for him to reflect on it.

The third point that struck me was, he talked about social justice, that the country certainly needs social justice. He and his leaders have talked about social justice for long and loud, but in the name of social justice they tried to tear the country apart. Their concept of social justice has been caste riots. But, in reality, if they had been honest they would have tried and taken substantial steps to eradicate inter-regional disparities in development.

The other day I was mentioning, in a different context, that from Bihar his party has got the maximum number of Members of Parliament and, in fair gratitude, they should have considered investment of resources for the development of Bihar to bring it at par with the rest of the country. I remember, from the other side of the House when I questioned Prof. Madhu Dandavate, "In your promise of social justice and regional equity are you promising something specific for Bihar?", he said, "Every State will be taken care of." If you look back on their 11-month record, I think it is those who helped them most that stand cheated equally at a very high level. Precisely for that reason, I think, he must realise that Indian public opinion is very vigilant. It knows how to reward. It also knows how to punish. So, the next time round when he and his colleagues make some slogans and rhetorical speeches for mobilising votes, they must be alert that people are going to chase them for their promises.

The same applies to what they also said that adequate resources, more than 50 per cent resources would be invested in rural development, agricultural development. What they tried to do is to redefine the existing agenda of expenditure under rural head, how much of road development will be assigned to rural head, how much of electricity will be assigned to rural head. So, so much with regard to their promises and performance.

Coming colser to the agenda on hand, Mr. Vice-Chairman, fortunately, during the last few months in which Congress has been in position, some radical economic measures were announced. Steps have been taken to implement them. The Indian economy is on a recovery path. Our credit-worthiness is being restored. Perhaps a concrete evidence is that the withdrawal by the non-resident Indians, which had started in an alarming proportion, has now stopped. The International Monetary Fund has already decided to extend its support. Some decisions have already been taken, and others are like to be taken in the next month, in the next few months. The World Bank President has taken full positive note of our will as well as capability, to manage our economy and to restore it back to a sound health. The Aid-India Consortium is scheduled to meet soon, and by all signals one should look forward to their decision which will be commensurate with our expectations. The contact at the bilateral level between the leadership and the World Bank, provides the basis for this kind of optimism. If you realise it, the international economic scene is such that pressure for resources is there from all parts of the world, particularly from eastern Europe. Nevertheless, India is a major country. It has a very sound track record in terms of managing its economy, the recent deterioration notwithstanding. That will stand us in good stead when the final decision of the Aid-India Consortium is taken.

We also hope that the non-resident Indians are assessing the situation very closely and watching the developments,

and perhaps very soon we will see some substantial steps from their side, given the new opportunities which are opening up for them to help the country without hurting themselves.

Mr. Vice-Chairman, on the balance of payments situation also, things are beginning to look better. In the last few months we have had successive months in which India has registered trade surpluses. International investors are also closely following our development, particularly the political stability of the Government and its courageous decision for radical reforms. The Prime Minister's recent visit to Germany provided an opportunity to have the feel of the international investors' thinking. The interaction with the political leaders as well as the representatives of the German industry did provide the basis for our optimism. Not that things are going to move in a big way because of the constraints there and some lingering doubts with regard to our own rules and regulations and bureaucratic responses. If the assurances that the Prime Minister has made there are implemented down the line in reforms, I am sure, not only the German fund but some other overseas funds will begin to move along with modern technology. But it is not only the government fund, what is more interesting and encouraging is that the private foreign investors are beginning to look at India as a country where investment could be cousidered, where the fund they invest is secure, and the returns are likely to be comparable to those on investment of the same amount in other situations.

Fortunately, although belatedly, even the monsoon this year has helped us, and we should expect a reasonably good harvest, and as a result, the market arrivals and later on the procurement situation for buffer stock would show a substantial improvement. I would like to draw the attention of the Government, particularly that of the Finance Minister, to the price situation which is a source of worry. In his Budget speech he had promised that the prices would be increasing by around 9 per cent only, but the reality is beginning to look somewhat unfortunate. The fiscal and monetary measures that he has taken should bear fruit. Perhaps much greater vigilance and some further measures would be required to reduce the pressure which is building up. If they continue to do so, they will play havoc with our reform measures. Mr. Vice-Chairman, you and I belong to the middle class. So does the Finance Minister. Given the price situation and all kinds of problems of society where expectations are rising, every family has children and they are trying to keep up with the Joneses, the salaried class particularly is facing a predicament. They realise the Finance Minister's constraints. Yet they continue to expect some relief. I appreciate that only five months are left so far as this financial year is concerned. He has indicated in his Lok Sabha speech that perhaps in the coming Budget he will keep that in view and bring certain reliefs for the benefit of the middle class, who are perhaps the only honest tax-payers, because they have no choice as their taxes are deducted at source. So, I would urge the Finance Minister not to let them down when he comes with the next Budget. Hopefully by that time the economic health will be such that it will give him the basis to come out with more imaginative Budget and give liberal relief for the benefit of the classes which have been required to tigten their belt.

Economic reforms and budgetary proposals as brought out by the Finance Minister are directed, I suppose, towards three objects. One is the crisis management — immediate crisis on hand, whether it is the fiscal crisis, the foreign exchange crisis or any other. They have to be managed. But in the process he has to be equally circumspect with regard to the problem of transition management. There are risks of resistances from vested interests. We have already taken note of the fact that the raising of the fertiliser prices by 40 percent generated so much noise and it was not confined to one political party. Across party divide this problem came-up. Per-

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haps the loudest resistence came from the principal beneficiaries i.e. large land holders. I must compliment the Finance Minister that he held on to the ground and did not yield to the pressure that was mounted in sufficient measure. But at the same time as a pragmatic person on the field he had to see the real feel of the people. As a result he did allow some concessions for the benefit of small and marginal farmers, which meant a revenue loss of roughly Rs. 405 crores. I do hope that his optimism that that amount will be recovered through alternative sources comes true. Otherwise our budgetary problem will continue to persist, if not deteriorate.

He is building a lot of expectations around non-resident Indians, particularly now that he has provided facilities and attractive terms. But again we have watched the contributions of the non-resident Indians. The portfolio investment so far has not been more than Rs. 75 crores. All that they have been doing is to take advantage of the rational economic decisions, taking the rate of exchange and the rate of interest as combination between the two. So, he will have to lean forward, mobilise a massive communication through the network of diplomatic missions, trade and industry organisations, professional marketing agencies or whatever other agencies they are to see that this time it is not only the relative advantage of the rate of exchange and the rate of the interest which brings really the hot money. More than that adequate net resource mobilisation should take place through all channels including portfolio investment. There are gossips galore that the black money would be laundered through the scheme that is provided. I think it is rather unfair to make such sweeping generalisation of Non-resident Indians that they are holding black money, they are dishonest and they have parked their black money somewhere and they would try to take the route of laundering. Some may do. I cannot deny it. But in the crisis management situation even if there is something which should not have been there in terms of moral criteria if the foreign exchange comes back we welcome that. But we do hope that more of white money, honest money equity held outside comes to India in response to the economic incentives which he has provided.

To the domestic black money holder the Finance Minister has given one more chance. There is a lot of money underground because we have a flourishing parallel economy. A lot of the money goes into conspicuous consumption. Now, I do not deny that the conspicuous consumption which is financed by the black money has also an economic role to play. The buoyancy of the capital market in India is partially funded through the black money. The flourishing trade, tourism industry or the catering industry which is going on in all cities and small towns is really funded by that kind of money. So some people do enjoy better food and more cheerful evening. As a result of that a lot of people get some income and employment opportunities. But the point is that here is a measure which the Finance Minister has provided where the black money could be brought within larger network of macro economic management and the resources which are coming through that channel are put to more rational use according to the criteria which the economy requires. We only hope that this chance will not be missed: otherwise the Finance Minister perhaps, will have no choice but to come down with a heavy hand and take all other measures to see that their money is recovered.

Mr. Vice-Chairman, the track record in revenue administration of the outgoing Government has been dismal. It is one of those rare occasions in the Indian history where the budgeted tax provisions could not be implemented and revenue collected fell short by Rs. 800 crores. We do hope that the Congress Government will be vigilant particularly after the recent experience of an unfortunate kind. Our tax administration should

be tightened and made more efficient so that accruals are not only at their budgeted level but they far exceed the budgetary amount so that whatever resource constraints or slip-up are there could be off-set by this additional accrual of revenue.

Mr. Vice-Chairman, the economic reforms proposal and the budgetary provisions opened up the scope for technology transfer of a modern kind which will help to modernise the industrial economy particularly and the overall Indian economy in general. We do hope that in this area, we will not keep sitting and expecting others to take our signals and respond accordingly. We will have to do some pro-active sort of running around and making contacts with the holders of modern technology, share with them the opportunity that is opened up and provide right contacts with the indigenous investors through joint ventures so that technology is brought which is so-called "state-of-the-art". Every technology in India cannot be made state-of-the-art because we have to have a dual economy for the simple reason that the situation in the country is not consistent with the profile of modern technology which is essentially labour-saving and capital intensive. But wherever we want to develop selected industries, world class industries, we should not compromise on the quality of technology. The state-of-the-art technology should be in the thrust sector for the rest, for employment and decentralised income opportunities. We can compromise with intermediate technology without unnecessarily allowing too much inefficiency to creep in.

Mr. Vice-Chairman, the Finance Minister, in his Budget proposals, took the credit that despite the fiscal crisis, he has allocated resources for the Plan fund. He has respected the annual Plan propositions of the outgoing Government. With the price situation getting somewhat not very convenient in real terms, whatever financial provisions have been made for the Plan budget is going to be substantially reduced. So, the allocation of Plan resources must take note of the sinking real value of the fund and the priorities should be accordingly redrawn so that the infrastructure sector and other priority sectors do get their requisite funds and others take their positions in the queue according to the significance they have in the overall economic strategy of the country.

Sir, employment is one of our serious problems. The rate of growth of labour force being roughly two and a half per cent, together with the lage backlog of unemployed people, requires that the net employment opportunity must increase at the rate of three per cent per annum. The Deputy Chairman of the Planning Commission has been making statements that the Plan which is on the drawing board will promote creation of job opportunities at the rate of three per cent per annum. But he has been cautiously saying that given the new reality of the economic scene in India and the international scene, he will have to apply caution. I would only submit that whatever there is to be done to promote gainful employment opportunities must be done and done with despatch. In this context, Mr. Vice-Chairman, I would repeat—I keep repeating in whatever forum I can—that never has India considered labour export as a conscious strategy in the economic package. Indians have gone abroad not because of the Government, but despite Government restrictions and disincentives. And it is not only the best brains that have gone. Of course, that is one variety. The other variety comprises technicians, etc. And they are the people, particularly in the Middle-East who have made remittances in adequate measure, to the tune of Rs. 2500 crores to Rs. 3000 crores per annum year after year, which has provided a foreign exchange cushion to the economy and resources for investment. I see no reason why the Government should not acquire this conscious, positive agenda, mobilise inter-ministerial and Government and non-Government agencies to put their heads together and see that there is an aggressive policy of labour export because India does not have to fear with

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regard to what is called brain-drain. For every brain that we drain out, there are 10 available in this country for replacement. If there are not, we should develop them in sufficient numbers and take advantage of the labour export possibilities. Three things are required for that. (1) A careful scanning of job opportunities in such countries where Indians are willing to go and welcome. (2) We have to correspondingly prepare our training packages down the line in villages and small town through the network of training institutions, whether they are Government institutions or not and you may encourage private agencies to train them. I have seen a lot of private ITIs coming up in Maharashtra, Tamil Nadu and Kerala preparing people for the Gulf migration. I see no reason why in the States of U.P., Bihar and Madhya Pradesh, which are also having a concentration of population, they should not be exposed to that kind of training, tailor-made for labour export. And the third thing required is, matching of the job opportunities information on the one hand and the job-seekers like the migrants with marketable skills on the other. Here, Government and non-Government agencies can pull their heads together and promote this process of labour export. I would like the Government to come out with some sort of a clear strategy. I have talked long. But I have found, regardless of the political identity of them, Governments turning a deaf ear to that. In economic terms, I see this a great opportunity. Several countries have this as a conscious agenda. We have experienced the benefit of that yet no agency of the Government seems to be taking it seriously. Certainly, the Finance Minister is capable enough to see the potential in this. Now when we have non-resident Indians there and there is an opportunity for them to send back money, they alone cannot make their savings and remittances economically productive back home in this country. We need complementary efforts from other agencies. The Finance Minister has been the Governor of the Reserve Bank of India—a custodian of the financial sector, the banking sector. If I were to raise my accusing finger for not sufficient productive mobilisation of non-resident Indian resources which flowed into India, I would like to accuse the banking institutions. They have been left high and dry. The money has come and gone in conspicuous consumption, in real estate. Now encourage them bring them into the banking channel and then use that money for productive purposes. I do hope that in the current situation, the banking institutions will rise to the occasion, re-gear their professional capabilities and do financial marketing of a super kind, comparable to their competitors of the other countries and in the process, they benefit themselves and bring additional benefit to the country.

I would like to go on record that under the new economic policy, the creation of wealth seems to be a conscious national agenda now rather than the distribution of poverty which we have seen for many long years. Next speaker from my party is a respectable industrialist and an entrepreneur. I would like to submit that here is an opportunity for young entrepreneurs and the non-resident Indians, who have been looking forward to better scope and more worthwhile opportunities, to come forward and take timely and adequate initiative in this regard and be partners and active agents in the creation of wealth in India. There may not be a second chance—I must warn them—because the liberal measures with all the political uncertainties around the minority Government notwithstanding, that this Government has taken are commendable. This gives a good signal to those who have been looking forward to the scope and opportunities and if they do not take advantage of that, the country will be certainly not a beneficiary but they will also regret that such an opportunity may not come again. If this economic crisis persists despite these economic measures, then I do not know who can help us out. We will be in a jam.

We have a very respectable bureaucracy. It has done some great things. It has held the country together, it has implemented laws, it has provided all the right kind of things which any efficient bureaucracy provides, but in this current season, when we talk of economic liberalism, market — friendly conditions, when we invite the attention of the non-resident Indians, Indian entrepreneurs, I think, we repeatedly continue to hear that there is a suspicion that no matter what the political will is, no matter what the stated policy is, when it comes to implementation, they are apprehending a continued resistance from one or the other level of bureaucracy, whether it is the persons, the rules and regulations or whatever it is. What I am saying is not secret. It is not whisper. That thing is said loudly. The Prime Minister is on record.... (*Interruptions*).

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): Mr. Thakur, if you conclude, then only the other speakers from your party will get twelve minutes each and not more than that.

PROF. CHANDRESH P. THAKUR: I will not take much time. So my submission to the Government would be that giving a policy frame is one thing and perhaps necessary but never a sufficient condition for the course correction. So corresponding reforms in the bureaucratic set-up in the structure of the Government, in the allocation of the Government capability across uses and perhaps training, retraining, whatever is required, will have to be taken into consideration. Otherwise, if not conscious, inadvertant resistance could be built up and that will hamstrung the process of effective implementation of the economic programme that we have. Mr. Vice-Chairman, under the new situation [illegible] of responsibility and power is going to be wielded by financial institutions. They have a crucial and critical role to play, whether they are banks or term-lending agencies which provide funds, but they have a lot of housecleaning to do. I don't think the banking institutions can pretend that they are a most robust and healthy segment of our economy. The Finance Minister as the ex-Governor of the Reserve Bank of India would know what is ailing this sector. In order to make a full and vigorous contribution in the better management of the economy and to make them effective, we will have to look into their functioning. If he expects the financial institutions to make a better contribution, then he will have to scrutinise all these things, wherever necessary, course correction, restructuring, better guidelines and better performance.

In the end, I would say that the workers and the trade unions have a tremendous role to play. In his opening remarks this afternoon he has said that he had wide consultations with different groups in the society including the trade unions. I think I must commend him for his practical wisdom that even the best of policies needs selling. People may have doubts and anxieties and only when you interact on a face-to-face basis, tell them what is good and how unfounded their apprehensions are, perhaps enthusiasm with regard to their support, with regard to their positive and effective role that they can play could be forthcoming. We would only hope that his interactions would dispel their anxiety, but at the same tmie the safety net that he has proposed in the original proposal will have to be worked out in all its detail without any loss of time and again marketed very effectively. People must know what kind of a safety net there is and where the possibilities for feeling safe are there. If they are going to be demobilised, if their skills are going to be obsolete, then what kind of retraining and reabsorption facilities are available to them; only then can they take advantage of that. In the end, Mr. Vice-Chairman, we expect that after these measures have taken their full course, we should have an Indian economy which is efficient in terms of cost, quality and delivery schedule. We also hope that our performance on the export front will be very impressive not necessarily confined to the traditional areas, particularly in manufacturing and

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new destinations where the quality of competition is of a different order rather than in such areas where things are somewhat soft. As you know the rupee trade in Eastern Europe and Soviet Union markets is facing some disciplining problems and we have to think in terms of corresponding consolidations in other parts of the world and there they are going to be tougher and more competitive and perhaps exporters will have to be chosen with care and commodities identified for export will have to be produced under highly modern conditions where cost and quality advantages are really competitive. For that, we need a substantial improvement in the infrastructural facilities. There are tremendous gaps, there are severe deficiencies and worst, in terms of inter-regional spread, they are highly uneven. If the hon. Finance Minister wants that through the economic measures, the entire country should grow, then he will have to look into the regional disparities in the infrastructure and wherever infrastructure is poor and inadequate, he should invest a lot of resources in such areas on a priority basis. What I would like to submit is this. Sir, you come from Assam and I come from Bihar. There is sufficient evidence that as a result of economic deprivation there is a lot of restiveness in different parts of the country. The only way to keep the country together is to provide equitable opportunities for life and living and this can be done through primarily... *(Interruptions)*...

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): Mr. Thakur, I don't have any objection if you take the whole time. But your fellow-speakers will not get time. They will get only 10 minutes.

SHRI RAJNI RANJAN SAHU (Bihar): If you give us only ten minutes, then it will be unfair.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): No, that I can't help. For your party the total time allotted is two hours and forty-five minutes. It is now up to Mr. Thakur how much time he is going to take.

AN HON. MEMBER: He is the spokesman.

PROF. CHANDRESH P. THAKUR: That is outside. Here I am your colleague. Sir, I am just concluding. I would submit for the consideration of the Finance Minister that different regions of the country should get his attention for over-coming their handicaps so that they become equally effective contributors in the creation of national wealth rather than remaining a drag on the growth of the economy primarily because of the inadvertent neglect of infrastructural facilities in those areas. Then comes the human capital preparation and the renewal of human capital. We have a large stock of human capital but there is a question with regard to their quality. We will have to look at it from that point of view. Now, you know I come from the educational sector. The Finance Minister was the Chairman of the University Grants Commission. The allocation for education is paltry. We realise that resource constraints are there. But in due course we will have to think that unless investment is adequate in human resources development, the country will suffer and the human capability to make better use of other non-human resources will be constrained. Mr. Vice-Chairman, Sir, there is every reason to remain optimistic notwithstanding the political problems because we have seen a lot of political wisdom these days where the opposition parties having taken into consideration the nature of crisis that the country has been facing, have overcome their partisan attitude and supported the Government in such areas where it is in the national interest. So when the Congress Party has signalled its desire to manage the political economy of the country on the basis of consensus and issue-based support here is an opportunity for all sections of the society

to extend its co-operative hands and see that we have a stable Government and an effective Government. It has made certain promises. This has facilitated to implement those promises within a time-bound programme. But vigilance is required. There could be some slip up here and there but for that the entire machinery of the Government—political, civil services and whatever other agencies are there—will have to be alerted. With all these, I would like to say that the encouragement he is offering to exporters in his revised announcement is welcome; the better distribution of foreign exchange accruals within different segments of the tourism industry is equally welcome; the fact that he is trying to encourage other kinds of non-corporate tax-payers in their efforts is welcome—I am not going into the details of that . All said and done, I commend the Finance Bill and support the propositions he has made.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): Before I call the next speaker, Members, I have to make an announcement that Mr. Kamaluddin Ahmed, Minister of State in the Ministry of Civil Supplies and Public Distribution, is going to make a *suo motu* statement on Public Distribution System today at 6.00 P.M. Now, Mr. M. A. Baby.

5.00 P.M.

[The Vice-Chairman (Shri Bhaskar Annaji Masodkar) in the Chair]

SHRI M. A. BABY (Kerala): Mr. Vice-Chairman, thank you for having permitted me to take part in this discussion. I have the benefit of speaking after Prof. C. P. Thakur, the official spokesman of the Congress outside the House, and the thrust and the contribution made by Prof. C. P. Thakur was optimistic. Prof. C. P. Thakur said that our economy was on the road to recovery. My dear colleague, Prof. Thakur, I am indeed envious of you for having mustered so much of courage to make such an optimistic statement in such an economic environment where the Finance Minister himself has been sincere enough to state that we are faced with an unprecedented economic crisis. For making such an optimistic statement in such an economic environment one has to be not only courageous but one has to be innocently adventurous also. I appreciate that innocent adventurous attitude of Prof. C. P. Thakur. Prof. C. P. Thakur stated that our economy was on the road to recovery. With so much of respect for the economic knowledgeability of Prof. C. P. Thakur, I beg to differ from him. My feeling is that our economy is on the road to colossal disaster. When I make this statement, I make this statement with so much of pain and agony, for two reasons. The first reason is that the honourable Minister of Finance who has been patient enough to sit through the discussion so far, is a brilliant and illustrious son of our country who has won laurels as an able economic administrator. And I find my esteemed senior colleague, Shri Rameshwar Thakur, is assisting him with ability. I don't question their commitment when they say that the set of economic and fiscal measures that are being taken by the present dispensation are aimed at bringing in prosperity. That is the main thrust that is the main claim. When my respected, honourable colleagues who are in charge of our coffers, of the finances of our country claim through this measure that economic prosperity can be brought into our country, while seriously disagreeing with their claim, I do not question their right to make such claim. May be, my honourable collagues are taking this step with this belief, but I am afraid whatever be their claims and intentions,..These steps, these so-called economic measures are going to ruin even the economic self-reliance of our great nation. I would like to state with all the strength that is at my command that our great country, our India is fast becoming a client nation. This is a very serious apprehension that I am sharing with this august House. In the 97-page document, the Finance Bill which is sought to be enacted here is meant to give effect to the budgetary proposals of the Government of India. Generally, we would have stated that the proposals contained in the Finance Bill determine the economic and the living conditions of the population of our country for this financial year. This would have been the usual statement one would have made. But this is not just another

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budget or not just another Finance Bill. This is the Finance Bill which is trying to give effect to the budgetary proposals which accompanied a drastic and a momentous change from the overall economic, industrial and fiscal policies that our country has been following since independence. Therefore, instead of stating that this 97-page document is going to determine the living conditions and economic conditions of our country for the coming one year, I would like to emphatically state that this is going to determine the economic condition of the people and the country for coming years if we fail to reverse it. Sir, I do not undertake the onerous responsibility of going through the different provisions of the Finance Bill. If you will understand, the Finance Bill states that the economic policies pursued by the powers that be since independence have landed us in an economic mess. We, those who speak from the left, have been seriously criticising the Government in the economic sphere and yet I would like to say that in the past we had made some gains by way of establishing public sector units and heavy industries. These public sector units and heavy industries with all their inadequacies and drawbacks were the basis for developing our economy on a self-reliant basis. These are the achievements of the planned economy that we had over the years. At the same time I would also like to add that these policies did not benefit the poor to the extent required. The benefit of the planned economy apart from having succeeded in setting up heavy industries and the public sector undertakings helped the monopolistic capital to grow. But now with the proposed changes in the economic perspective, whatever positive we could achieve over the years through planning, that is sought to be dismantled and destroyed. Therefore, this is a severe and serious and unpardonable reverse from the economic policies that we have been pursuing. It is stated that a set of measures including devaluation are brought in, a set of measures which we critised and we alleged as are being undertaken either under the dictates of the IMF and the World Bank or under their persuasion, whichever fits in may be chosen. But it is very agonising because the future may recall that such an illustrious son of our country like Manmohan Singhji was destined to preside over such a disastrous reversal of the economic policies. Without going into the intricacies, let us ask: Will these economic measures, if pursued over the years bring in prosperity for the people at large? We, the Members of Parliament, discuss the problems of the downtrodden, sitting in the cosy comforts of this august House. Can we sincerely claim that these changed economic policies will really benefit the poor?

Sir, there is generally one particular indicator which we take for understanding the general thrust of a Budget, and that is whether the taxation policies of the Budget are pro-rich or more pro-poor; this is the ratio between Direct Taxes and Indirect Taxes. Here, I would like to state that when India became independent, the ratio between Direct Taxes and Indirect Taxes was almost on a healthy balanced basis. At the time of independence, our Direct Taxes paid by the well-to-do generally were 52.7 per cent, and Indirect Texes paid mainly by the poor were 47.3 per cent. And if my understanding of the Budget and the Finance Bill is correct, now the ratio is 83 per cent of Indirect Taxes and 17 per cent of Direct Taxes. With this kind of an approach, with this kind of tax-orientation, with great respect to Manmohan Singhji, I would like to state that the real meaning of the name of the Finance Minister, Manmohan Singhji, would be understood by the affluent minority as 'Man Mohan Singhji', person who is very much affectionate and good in the heart, but the majority of the poor people would understand Manmohan Singhji as 'Dhan Mohan Singhji'; I am very pained to say so.

AN HON. MEMBER: What is the meaning?

SHRI M. A. BABY: 'Dhan Mohan' is understandable. So, this is the thrust of the tax proposals. And with this kind of

a tax perspective, I don't think prosperity can be achieved in our country. If at all prosperity is achieved, that will again go into the hands of the affluent few. There is this question and answer: "How is the economy doing?" "The economy is doing well, but the people are not." This would be the situation. Perhaps, I do not know I wish to believe Prof. C. P. Thakur that through these economic measures the economy may recover. I do not know. If you recover, well and good. But what about the plight of the people? Will the islands of affluence exist in the ocean of poverty, destitution and misery?

Here I am reminded of the lines by one of the famous poets of Malayalam, who is no more. He summed up the whole economic principle in four lines. Only few, including Dr. M. G. K. Menon, might have undedstood what it means. If I try to translate this in my feeble capacity, the poet asks:

> "Where else in the world you find such varied natural resources in abundance;
>
> And where else you find such severe and inestimable misery?"

This is a very powerful depiction of Indian conditions.

Therefore, my humble submission is that the whole expertise and economic knowledge and intelligence and powers of a great son of India, Manmohan Singhji, the proposals made here and the drastic changes which are being suggested are not going to help ameliorate the plight of millions and millions of poor Indians.

This is what I would like to submit so far as the main thrust of the Finance Bill and the Budget is concerned. Sir, I know Manmohan Singhji had the first taste of being in the company of we politicians when with innocence and sincerety Manmohan Singhji stated, after having been inducted in the Ministry, that as promised in the Manifesto of Congress party, price rise cannot be arrested within 100 days or prices cannot be rolled back as has been promised in the Manifesto. I have this pamphlet with me, which most of the Congress (I) members would have forgotten or buried somewhere conveniently. This is the Congress (I) Manifesto. On page 16, categorically it is stated:

> "In the first 100 days the following will be undertaken..."

Among others, I am only dealing with the price rise question.

> "...Arrest price rise in essential commodities, and in particular roll back prices to levels obtaining in July 1990 in the case of:
>
> Diesel, kerosene, salt, edible oils, cycles and 2-wheelers, electric bulbs, cotton sarees and dhotis of 40 count or below, stoves including smokeless chulhas, newsprint, postcards, inland letters and envelops."

श्री रजनी रंजन साहू : उपसभाध्यक्ष जी, बहुत अच्छी बात है कि हमारा मेनिफेस्टो कम से कम पढ़ तो रहे हैं और इस पर अमल भी करेंगे, इससे अच्छी बात और कोई हो ही नहीं सकती। ...(**व्यवधान**)...

श्री आर०एस० नायक (कर्नाटक) : आप कब लाने वाले हैं, वह तो बता दीजिए।

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Baby, please continue.

SHRI M. A. BABY: This has been the promise made in the Congress (I) manifesto. And with the virgin innocence of Manmohan Singhji, once Manmohan Singhji joined politics and took up the responsibility of the Finance Ministry, he has stated...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Let us not be individualistic. He is representing the Government.

SHRI M. A. BABY: That is precisely what I mean. Mr. Manmohan Singh is presiding over the financial and economic conditions of the country.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Baby is overtaken by individual spirit.

SHRI M. A. BABY: Sir, my point is, the hon. Finance Minister has stated that this is something which is unachievable. After a point of time, the hon. Finance Minister was made to make certain modifications in the *suo motu* statement, thanks to motivation. But the point is, only a few days remain to reach that hundredth day mark. I don't know whether the Parliament Session has been visualised in this manner so that on the hundredth day we will not have a sitting of the Parliament. In any case, on the 26th of September—if I am not mistaken—we are reaching the hundredth day. When such assurance in black and white was given to the people, what measures are being taken by the Government to implement the electoral promises made during the General Elections? I would like to see that these election promises are implemented. While demanding so, my humble alternate suggestion is that even if you fail to roll back the prices to July, 1990 level, at least there should be measures to see that the galloping inflation is arrested. Will the Government take measures?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): We discussed the prices yesterday. He has given certain assurances.

SHRI M. A. BABY: But the point is, when we discuss the Finance Bill, if we just omit the question of price rise just because we discussed it yesterday that would be a great injustice to those millions of poor people who suffer due to price rise. Now, we had some discussion regarding the plan perspective. In fact, a topic which should have formed part of this discussion was undertaken yesterday when price rise was discussed and an hon. Member referred to the plan perspective and stated that we followed the planned economy on the basis of the experience of the Soviet Union. It was stated that since that has been proved a failure in Soviet Union—according to that hon. Member—it is time that we also disband we also disapprove, we also abandon the perspective of planned economy. Here I would like to express my serious disagreement with that proposition, if at all any other hon. Member also holds this view. Perhaps when Birlaji speaks, he may be dealing with this subject. My humble submission is that in the Soviet Union momentous changes are taking place and we have to wait and see how events will turn. But to state that planned economy did not help Soviet Union at all will be a gross injustice to historical factors. I don't want to go into details. I have the benefit of Masodkarji being in the Chair when I deal with this issue. Through planning Soviet Union could develop as one of the two great powers in the world from the most backward conditions. And whatever is happening in the Soviet Union today, we should not forget certain historical facts that thruogh planned economy, the Soviet Union achieved such great heights in the field of science and technology whereby they could send the first Sputnik into space and the first human being, Yuri Gagarin in the space. At the same time, there were many serious defects also in the planning of the Soviet Union, especially at the later stage, which is not a subject matter of our discussion. But the point is, scientific planning did help the Soviet Union and in spite of our serious criticisms about the planning processes in India, we agree that planning did help India to develope as a developing country with all the infra structure, the public sector undertakings and heavy industrial units that we have today. Therefore, taking one-sided view of plan perspective would be disastrous.

I want to make another submission. One of the illustrious sons of India from the economic field, Dr. Amatya Sen, in one of his interventions, in fact in the Presidential Address at the Economists Conference which dealt with the developments in East Europe before what happened in the Soviet Union, made a valid point. But before making that point, I want to underline the fact that Dr. Amatya Sen is not a Communist or a committed Leftist. He stated that economic democracy could be effected only in socialist countries, with the availability of wealth and values of the country for every citizen. This is the achievement of socialist countries, that is, democracy so far as national wealth is

concerned. But there were shortcomings and lacunae or inadequacies in implementing democracy at the political place. Therefore, economic policy effected through the budget, through devaluation, through the new export-import approach and the so-called new industrial policy, is going to be disastrous to us, is going to be disastrous to the independent development of our country. I would also like to make a submission that negotiations are on regarding individual property rights, on General Agreement on Trade and Tariff and we the Members of Parliament and other prominent citizens have been collecting signatures to stand by the Government of India's position that we will not compromise on this issue, and I urge upon the Finance Minister and the Government of India, taking this opportunity, that so much of pressure is coming on the developing countries like India to effect new colonial exploitation and to make a country like India the prime target. We should resist such efforts of imperialism, such protagonists of uni-polar world with all our might and for that we have to drastically reverse the economic and fiscal measures which are proposed by the new dispensation.

SHRI KRISHNA KUMAR BIRLA (Rajasthan): Mr. Vice-Chairman...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): For the Congress party, there are...

SHRI KRISHNA KUMAR BIRLA: I do not take very long; I always try to be precise.

I rise in support of the Finance Bill moved by the Hon. Finance Minister.

The Budget, in my opinion Sir, is an evidence fo macro-economic concern of he Finance Minister. In this policy structure, there are several pillars and budget is at the core. The first pillar is the adjustment of external value of the rupee. The second pillar is the new import and export policy. The third pillar is the liberalisation of industrial policy and encouragement offered to international companies, And finally, the Budget. It is consistent with the above policies and the Budget has tried to protect the interests of the poor and the needy. An endeavour has been made to ameliorate the condition of the downtrodden. This was the best that could have been done under the circumstances of severe financial crisis through which the country has been passing. The Finance Minister also deserves commendation for his efforts to reduce the fiscal deficit from 8.5 per cent of GDP to 6.5 per cent; the figure, perhaps, may rise to 6.7 per cent. With there preliminary observations, I would like to offer a few comments.

The Finance Minister mentioned about the role of the banks. He said that the Government would fix the minimum rates of interest. Thereafter, the Banks even though the minimum rate is fixed, they are at liberty to decide their own rates of interest. This does sound good. Control should be as little and as minimum as possible. But before relaxing such controls, conditions should have been created so that the banks could have their limbs moving freely and they could endeavour to help the corporate sector, the poor and the needy. As it is, the high CLR and the SLR ratios take away 63 per cent of the deposits. The result is that the banks' autonomy is crippled, their lending capacity is reduced and their manoeuvrability is shackled This, along with credit squeeze, is playing havoc with the economy and with the industrial production. The purpose of the credit squeeze is to check inflation. It is a good idea. But if production is affected as a result of the credit squeeze, it will lead to inflation and it will lead to unemployment.

Taking one from the Finance Minister's statement, the financial institutions have raised their rates of interest. It was about 14 per cent earlier and it has now been increased to 20 per cent. This is a very serious matter. The financial institutions should certainly earn profits. Nobody will deny it. But they should try to encourage new industries coming into operation. But with the crippling rate of interest of 20 per cent. I don't know how far they will succeed in their objectives. I would also like to pose the question as to how the Indian corporate sector could complete with

[Shri Krishan Kumar Birla]

the corporate sector in foreign countries where rates of interest are 10 to 12 per cent and in some countries like the USA, Switzerland and Singapore, even lower than that.

In my opinion, the banks and financial institutions should have been asked to compete just like the insurance companies are doing. Instead of that, they are forming cartels and they are adopting, in several cases, an imperialistic attitude and dictating terms. Monopoly of any type is bad.

I would like to say a few words about the valuation of shares of unquoted investment compaines. Although it appear from the Finance Minister's speech that this is a closed chapter, I am all the time raising it with the pious hope that it will receive the Finance Minister's attention at least next year or in any supplementary Budget if we are to have one. The proposal, is that valuation should be determined on the basis of the break-up value and the market value of each asset in the investment company. The proposed method, in my opinion, is very complicated, irrational, cumbersome and impractical. Earlier, similar efforts were made in 1981, 1986 and last by in 1989. Mr. Chavan, was the Finance Minister at that time and he acknowdeged the hardships which the shareholders will b put to, as a result of this. The proposed methods are also against principles aid down by the Supreme Court. The Finance Minister has, no doubt given relief by stating that an average of ten years' prices of shares could be taken. But this does not mitigate the hardship. The hardship is still there. I would humbly urge upon the Finance Minister to reconsider this matter at the appropriate time. The liberalisation of industrial policy was good. I am very happy that multi-nationals are being invited to invest in our country But there is one obvious contradiction It is that, on the one hand, we are inviting the multinationals to invest, but on the other hand, the corporate tax, along with the 15 per cent surcharge, now, comes to about 51.75 per cent, which is one of the highest in the world, as far as I know

More serious is the reduction in the depreciation rate. The Finance Minister reduced it from 33.25 per cent to 25 per cnet. This, in my opinion, is a retrograde step. It is a kind of disincentive for modernisation. If Indian industries have to stand in competition in export markets we have got to give them incentives to modernise and keep their machines and equipment up to date, on par with the machines and equipment of other countries.

One very interesting and important subject is black money and the *hawala* business. I take both together. Every Finance Minister makes effort to overcome the menace of black money and the *hawala* business. My opinion is that there appears to be no chance of eradicating this evil, until and unless we are able to find solutions to two problems, until and unless two conditions are fulfilled.

Firstly, as far as elections are concerned, unless we bring about electoral reforms, the problem of black money cannot be solved. This is because, at the time of elections, big demands for money, for cash money are there. At the time of elections, every party, whether it is party 'A', or party 'B' or party 'C', needs cash money, needs funds.

The second thing is the smuggling of gold. The disparity in prices in India and foreign countries—it is about 30 per cent —is a very big incentive for the smugglers to bring gold into the country. It was, in this conenction, that I made a Special Mention a few months back. My impression is that the Finance Minister happened to be present at that time. We should encourage the NRIs to bring gold into the country, allow them to sell it to the Reserve Bank of India at the prevailing Indian prices—I am not talking about world prices—and accept the money for the gold in Indian rupees.

Regarding the slide-down of the rupee one important NRI said that it was a matter of national shame. I would not comment as to whether it was a matter of naitonal shame or not. But I will certainly say that it was something which was unavoidable. The slide-down, in my opinion, is not likely to stop. This should be a

matter of national concern. The slide-down can be stopped only if we are able to check and reduce inflation to the same standard as is prevailing in the developed countries. Besides, productivity also has to improve. I would urge the Finance Minister to be vigilant and alert on these points.

The world is moving towards deregulation and privatisation. In most of the countries of the world, including the Soviet Union, this phenomenon has taken place, or, is taking place. The Government of India's policy also is to encourage the private sector. This is a point in regard to which I would like to offer some comment. It is that, because of the mutual funds coming into existence, in abundance, effective State control is rising at an alarming rate and more and more industries are going indirectly in the hands of the State. In most of the blue chip companies, more than 40 per cent—in some cases, more than 50 per cent—of the shares have been acquired by various financial institutions and mutual funds. This is a disturbing trend and an ominous scenario. What is at stake is the very privateness of the private sector. If the reports are correct, I understand, a large amount is there with the mutual funds. A sum of something like Rs. 20,000 crores, which represents the savings of the public, has been deposited with these mutual funds, about eight in number. As far as financial instiutions and mutual funds are concerned, their role should be that of a catalyst towards promoting industries and for industrial growth. They should not be controller of the industries or decider of the private secotr. So, my submission for the consideration of the Finance Minister would be that the existing holding of the financial institutions and mutual funds should be reduced to 25 per cent and they should be asked compulsorily to invest in shares of new companies. In this way, they could play an important role towards industrialisation of the country. They could assist the promotion of new industries and they could disinvest when the new companies come of age.

There is another new concept which I would like to introduce. The Finance Minister must be aware of it and that is concerning non-voting equity shares. Such an experiment I understand has been tried out successfully in some other countries. Such equity shares would not have voting rights, but otherwise, would have every other right and they would participate in the dividend of the company as much as the other equity shares would do. As a result of this, there could be two benefits. One,it will improve the floating stock position in the country. At present the floating stocks are rare as the investments of the mutual funds are large. So, this will be one benefit which will be there; it will improve the floating stock-position of blue chip companies. Secondly, such equity shares might prove to be very valuable and very popular with the NRIs. We could garner substantial foreign exchange by offering them to NRIs.

I have given a few suggestions. In totality, in my opinion, the budget is good and certain measures taken by the Government are excellent. I support the Bill.

श्री राघवजी (मध्य प्रदेश) : उपसभाध्यक्ष जी, देश घनघोर आर्थिक संकट में से गुजर रहा है । जिस देश को और जिस सरकार को अपनी समस्त राजस्व प्राप्तियों का 42 प्रतिशत भाग ब्याज में चुकाना पड़े, 27 हजार 450 करोड़ का ब्याज चुकाना पड़े, वह देश विकास कार्य कैसे कर सकता है और गरीबी और जनहित की बातें वह देश कैसे कर पाएगा, यह एक प्रश्न-चिन्ह है । अभी मेरे पूर्व विद्वान वक्ता ने कहा कि यह बजट गरीबी और पिछड़ेपन के लिए वरदान सिद्ध हो सकता है । मुझे आश्चर्य है कि बजट प्रस्तुत होने के बाद ही अगर तेल के दाम 45 रुपये किलो हो जाय और दालों के दाम 20 रुपये किलो हो जाय, कुकिंग गैस के दाम बढ़ जाय, हर चीज के दाम बढ़ जाय और यहां तक कि अभी तक कभी भी पांच सप्ताहों में इतने दाम नहीं बढ़े, इस बीच 15 फीसदी दाम बढ़े हैं इन पांच सप्ताहों के अन्दर और थोक मूल्य सूचकांक इस वक्त 207.7 तक पहुंच चुका है 1982 के मूल्यों को आधार मानते हुए और फुटकर मूल्य सूचकांक 215 प्रतिशत तक पहंच चका है । यह बजट

[श्री राघवजी]

कैसे गरीबों और पिछड़े वर्गों का भला कर पाएगा, मुझे इसमें आश्चर्य होता है। माननीय वित्त मंत्री जी ने यह दावा किया है कि यह बजट लीक से हट कर है, यह मुद्रा प्रसार पर लगाम लगाएगा, घाटे के बजट पर नियंत्रण करेगा । लेकिन वास्तव में देखा जाय तो इस बजट में और पूर्व के प्रस्तुत बजटों में भी इसी प्रकार के दावें किये गये थे । इसलिए कोई विशेष अन्तर इस बजट में नहीं है । यह दावा किया गया है कि डायरेक्ट टैक्सेज से इस बार ज्यादा आमदनी की जा रही है और इनडायरेक्ट टैक्सेज पर जोर कम है । इस संबंध में मैं एक प्रमुख समाचार पत्र का हैडिंग पढ़कर सुनाना चाहता हूं जिससे बात बहुत स्पष्ट हो जाती है । मैं कोट कर रहा हूं ।

> "It has been stated in the Budget that the Government intends to reduce its reliance on indirect taxation for raising the required revenue. This budget has, of course, made an attempt to increase the revenue from direct taxes but a study reveals that its reliance on indirect taxes has not been lessened. The ratio between indirect and direct taxes remains at 80 : 20."

आज भी 80 और 20 का रेशियो है । यह दावा करना बिल्कुल गलत है कि इनडाइरेक्ट टैक्सेस पर जोर कम दिया गया है और डाइरेक्ट टैक्स से ज्यादा आमदनी की कोशिश की गयी है । उपसभाध्यक्ष जी, आज जो मुद्रा-प्रसार हो रहा है, जो मुद्रा-स्फीति हो रही है इसको देखते हुए भी जो व्यक्तिगत आय की न्यूनतम छूट आज है वह 22 हजार रुपये पर कायम रखी गयी है । आज से 6 वर्ष पूर्व यह सीमा 18 हजार रुपये थी और तब से लेकर आज तक, मैंने जैसा पूर्व में भी निवेदन किया है कि मूल्य सूचकांक जो है वह 207.7 प्रतिशत बढ़ा हुआ है जब अप्रैल 1992 से यह प्रावधान लागू होंगे तब मूल्य सूचकांक, आज की रफ्तार को देखते हुए ढाई सौ प्रतिशत हो जायेगा। इसका मतलब यह है कि आज से पूर्व 18 हजार रुपया और उसका ढाई गुना यानी 45 हजार रुपये की छूट होती तो हम उस स्तर पर कायम होते जो आज से 6 वर्ष पूर्व था । अगर इतना होता तब भी उस समय के लिहाज से कोई विशेष सुविधा प्राप्त नहीं होती । लेकिन आज भी 22 हजार रुपये की छूट देकर यह सिद्ध करने की कोशिश की जा रही है कि रियायतें हैं जब कि व्यक्तिगत आय में उसकी जेब से ज्यादा निकाला जा रहा है और छूट को कम कर दिया गया है । क्योंकि रुपये की कीमत बहुत कम हो गई है इसलिये इसी हिसाब से इस पर छूट भी बढ़नी चाहिये थी । लेकिन हमारे वित्त मंत्री जी 22 हजार से एक इंच भी आगे बढ़ने के लिये तैयार नहीं हैं । यह बड़े आश्चर्य की बात है कि इसके बावजूद भी यह कहा जा रहा है कि हम मध्यम वर्ग और कम दर्जे वालों के लिये कुछ सुविधायें प्रदान कर रहे हैं । यह बिल्कुल गलत है इसलिये मेरा आग्रह है कि छूट की सीमा 22 हजार से अवश्य ही ज्यादा बढ़नी चाहिये ।

उपसभाध्यक्ष जी, संयुक्त हिन्दू परिवार की आमदनी पर छूट रही है । प्रारम्भ से ही, जब से आयकर कानून लागू हुआ, संयुक्त परिवार की आय की छूट व्यक्तिगत आय की छूट से दुगुनी हुआ करती है । लेकिन आज उस संयुक्त परिवार, जैसे किसी एक व्यक्ति की अलग से अगर आय है तो 22 हजार रुपया तक उसमें छूट की सीमा है, और इसमें यह छूट की सीमा केवल 12 हजार रुपये है । जब व्यक्तिगत आय की सीमा पहले 18 हजार थी तब भी यह 12 हजार थी और जब आज यह सीमा 22 हजार है तो तब भी 12 हजार किये हुए है, इसमें कोई बढ़ोतरी नहीं की गई है जब कि यह पहले दुगुना हुआ करती थी । इस प्रकार से निरंतर इस प्रथा पर आघात किया जा रहा है और साथ ही व्यापार में और उद्योगों में लगातार आघात होने के कारण भागीदार फर्मों ने जब उस ढांचे को ग्रहण कर लिया तो आप देखें कि इनके संबंध में हमारी सरकार क्या कर रही है । पहले भागीदारी फर्मों के ऊपर जो टैक्स हुआ करता था वह 30 हजार से ज्यादा की आमदनी पर हुआ करता था। लेकिन अब भागीदारी फर्म के ऊपर

न्यूनतम छूट की सीमा केवल 15 हजार रुपया है । जो व्यक्तिगत आय है उस पर तो छूट की सीमा 22 हजार रुपया है लेकिन जब दो व्यक्ति मिलकर कोई धंधा, व्यापार करते हैं तो 15 हजार रुपये से ज्यादा आमदनी पर उनको टैक्स देना पड़ता है । इसे किस प्रकार न्याय कहा जा सकता है । इसलिये यह जो 15 हजार रुपये की छूट है इसे किसी भी प्रकार तर्कपूर्ण नहीं कहा जा सकता है, यह अव्यावहारिक है । भागीदारी फर्म का ढांचा जो इस देश में सर्वाधिक लोकप्रिय है, जो यहां के आम परिवार का ढांचा है, यह उसके अनुकूल है, लेकिन इसको तोड़ने की कोशिश की जा रही है । इसलिये इस छूट को 15 हजार रुपये से बढ़ाकर इसकी न्यूनतम सीमा कम से कम 40 हजार रुपया करनी चाहिये, ऐसा मेरा माननीय वित्त मंत्री जी से आग्रह है ।

उपसभाध्यक्ष जी, अभी जो फाइनेंस बिल प्रस्तुत हुआ है, इसमें कुल 126 क्लाजेज हैं और उनमें 83 क्लाज जो हैं, वे केवल आय कर अधिनियम से संबंधित हैं । आयकर अधिनियम में 83 क्लजेज में इस वर्ष संशोधन के लिए प्रस्तुत किये गये हैं । पिछले कई वर्षों से इस प्रकार से लगातार संशोधन किये जाते रहे हैं । आय कर का जो कानून है यह 1961 में बना था और लगातार संशोधनों के बाद उसका मूल रूप पूरी तरह से नष्ट हो चुका है । इसकी कुल 298 क्लाजेज हैं । इन 298 क्लाजेज में शायद ही कोई ऐसा क्लाज बचा हो जिसमें संशोधन नहीं हुआ हो । इसलिए मेरी मांग है कि आय कर कानून जो 30 वर्ष पूर्व बना था इसको समाप्त करके एक नया कानून बनाया जाए, सरल कानून बनाया, इसका सरलीकरण किया जाना चाहिये ताकि आम कर दाता को ठीक प्रकार से समझ में आ सके । बार बार संशोधन करके इसको अत्यन्त जटिल बना दिया गया है । इसलिए इसका जटिल रूप समाप्त करके एक नया सरल कानून आना चाहिये ।

उपसभाध्यक्ष महोदय, केपिटल गेन्स की जो बात है उसमें 10 हजार से बढ़ा कर 15 हजार कर दिया गया है, मैं इसका थोड़ा सा स्वागत करता हूं लेकिन यह छूट अपर्याप्त है । वस्तुओं के दाम जिस प्रकार से बढ़ रहे हैं आज से 10 वर्ष पूर्व कोई सम्पत्ति खरीदी गई तो मुद्रा-स्फीति के कारण इसके दाम तो जरूर बढ़ते हैं लेकिन वास्तविक मूल्य नहीं बढ़ता है । इसलिए 15 हजार की छूट बिल्कुल नाकाफी है । इसको बढ़ा कर कम से कम 25 हजार करना चाहिये । दूसरी बात यह है कि केपिटल गेन्स को साधारण आय के साथ नहीं जोड़ना चाहिये क्योंकि साधारण आय निरंतर आय वाली बात है और यह केपिटल गेन्स तो कभी कभी एकाध बार हुआ करता है । इसका रूप अलग प्रकार का होता है । कई वर्ष पूर्व खरीदी गई सम्पत्ति को विवशताओं के कारण जब बेचना पड़ता है तो उस पर भी उसी प्रकार से टैक्स लगाना उचित नहीं है । इसलिए केपिटल गेन्स को अन्य आय से डिलिंक करना चाहिये । यह मेरा माननीय वित्त मंत्री जी से सुझाव है ।

उपसभाध्यक्ष महोदय, आय कर कानून में जो अन्य संशोधन प्रस्तुत किये गये हैं उनके बारे में मैं आपके माध्यम से माननीय वित्त मंत्री जी से निवेदन करना चाहता हूं । एक संशोधन भी प्रस्तुत किया गया है क्लाज 26(बी)(ii) यह सेक्शन 80(जी) के बारे में है । 80 (जी) में कुछ ऐसी संस्थाओं को चुना गया जिनको पैसा देने से, फण्ड देने से, दिये गये रुपये पर 50 प्रतिशत की छूट होती है । अभी तक इस प्रकार की 6 संस्थाएं हुआ करती थीं और उन संस्थाओं के नाम मैं आपको पढ़ कर सुना देता हूं । पहला नेशनल डिफेंस फण्ड आफ इण्डिया, दूसरा जवाहरलाल नेहरू मेमोरियल फण्ड, तीसरा प्राइम मिनिस्टर ड्राउट रिलीफ फण्ड, चौथा प्राइम मिनिस्टर नेशनल रिलीफ फण्ड, पांचवां नेशनल चिल्ड्रन फंड और छठा इंदिरा गांधी मेमोरियल ट्रस्ट इन 6 संस्थाओं में से दो संस्थायें पहले से हैं और एक ही परिवार के नाम से संबंधित हैं जवाहरलाल नेहरू और इंदिरा गांधी । सारे हिन्दुस्तान में केवल एक तीसरा व्यक्ति माननीय वित्त मंत्री जी को और मिला राजीव गांधी । हिन्दुस्तान

[श्री राघव जी]

के अन्दर ऐसा लगता है कि मानो और कोई महापुरुष हुआ ही नहीं है और उन महापुरुषों के नाम से कोई अच्छे ट्रस्ट या संस्थायें चलती ही नहीं हैं । महात्मा गांधी तक के नाम से चल रही संस्थायें जो पुरानी हैं उनको भी इस सीमा के अन्तर्गत नहीं रखा गया है लेकिन राजीव गांधी फाउंडेशन के नाम से चलने वाली संस्था को इसमें जोड़ने की क्या आवश्यकता है । सरकार के माध्यम से जो नेशनल डिफेंस फंड है, प्राइम मिनिस्टर ड्राउट रिलीफ फंड है यह तो समझ में आता है लेकिन राजीव गांधी फाउंडेशन को जोड़ने का क्या अर्थ है । इस प्रकार से व्यक्तिवाद को बढ़ावा देना, वंश परम्परा को बढ़ावा देना, मैं उचित नहीं मानता हूं (व्यवधान)

श्री भुवनेश्वर कालिता (असम) : इसको निकाल दिया है (व्यवधान)

श्री राघवजी : नहीं निकाला है । आपको पता नहीं है (व्यवधान) वित्त मंत्री जी कह देंगे कि निकाल दिया । इसमें क्या बात है (व्यवधान) यह फाइनेंस बिल में से नहीं निकाला है, निकाल दिया हो तो इसकी घोषणा कर दें तो मुझे बड़ी प्रसन्नता होगी (व्यवधान)

डा० रत्नाकर पांडेय (उत्तर प्रदेश) : आप पोलिटिकलाइज कर रहे हैं । (व्यवधान)

श्री राघवजी : पोलिटिकलाइज करने का कोई सवाल ही नहीं है । और भी बहुत से महापुरुषों के नाम पर जो फंड हैं उनको भी जोड़ना चाहिये था (व्यवधान) उपसभाध्यक्ष जी जो 80 (एच०एच०सी०) का संशोधन है (व्यवधान)

डा० रत्नाकर पांडेय : माननीय उपसभाध्यक्ष जी, माननीय सदस्य को मालूम होना चाहिये कि इसी सदन में 100 करोड़ रुपये राजीव गांधी मेमोरियल ट्रस्ट के लिये सरकार ने दिये थे और बिना किसी एप्लीकेशन के सेंक्शन किये थे । लेकिन हमने सरकार से प्रार्थना की कि उस प्रस्ताव को वापस लीजिये और जो व्यक्ति इस देश के लिये शहीद हुये हैं चाहे इंदिरा गांधी हों, राजीव जी हों, जब इस सदन में (व्यवधान) मेरी पूरी बात इस सदन में सुनी जाय । जब जवाहर लाल नेहरू, इंदिरा गांधी और राजीव गांधी का नाम इस सदन में लिया जाये तो मतलब होता है फासीघर । मैं अपने मान्य सदस्य को बताना चाहता हूं कि यह शहीद परिवार है जिसने बलिदान दिया और इस देश को बंटने नहीं दिया, खालिस्तान नहीं बनने दिया । इस राष्ट्र के लिये बलिदान दिया है । हमको उनके नाम यश के लिये किसी सरकार की कृपा नहीं चाहते हैं, चाहे कोई भी सरकार हो । इस तरह की चीजें रिकार्ड से वापस ली जायें क्योंकि माननीय सदस्य को यह बोध ही नहीं है कि राजीव गांधी ट्रस्ट में या मेमोरियल फंड में सरकार का रुपया रिफ्यूज कर दिया गया था । इस राष्ट्र की शक्ति जिसके बल पर है, जिसकी कृपा पर यह सरकार चल रही है, उस सोनिया गांधी ने स्ट्रिक्टली रिफ्यूज कर दिया कि हमें इस ट्रस्ट के लिये रुपया नहीं चाहिये (व्यवधान) ये सब बातें नहीं आनी चाहियें . . (व्यवधान)

SHRI BHUBANESWAR KALITA: The hon. Member should refrain from character assassination. That part should be expunged from the record.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): I will see the record. Now, please sit down

डा० रत्नाकर पांडेय : इंदिरा गांधी ने इस देश के लिये बलिदान दिया, राजीव गांधी ने बलिदान दिया और ये ओवरसीज बी०जे०पी० बनवा करके इस राष्ट्र को चाहते हैं * (व्यवधान) अपनी माता का सौदा बेटे नहीं किया

*Expunged as ordered by the Chair.

करते हैं । लेकिन ये* बी०जे०पी० के लोग भारतमाता का सौदा करते हैं ...(**व्यवधान**) इन को शर्म नहीं आती ?

6.00 P.M.

श्री अश्विनी कुमार (बिहार) : आप भारत के टूकड़े टूकड़े कर रहे हैं...(**व्यवधान**) और ऊपर से बलिदान की बात करते हैं ।

डा० रत्नाकर पांडेय : चुल्ल भर पानी में आपको डूब मरना चाहिये... (**व्यवधान**)

श्री अश्विनी कुमार : आप डूब मरे ...(**व्यवधान**)

डा० रत्नाकर पांडेय : जो शहीद हुये इस देश केलिये उनका नाम इस तरह से नहीं बरबाद करना चाहिये इस सर्वोच्च सदन में । यह इस देश का सर्वोच्च सदन है...(**व्यवधान**)) वह फैक्ट नहीं है । राजीव गांधी फंड का, ट्रस्ट का रुपया हमने लौटा दिया है । उसके बाद सदन में इस तरह की बात कहना अज्ञानता का द्योतक है । ऐसे कूपमंडूक लोग इस सदन में आ गये हैं । यह सारे देश की जनता देख रही है ।

श्री जगदीश प्रसाद माथुर : यह इनकी मेडन स्पीच है । इस सदन की परम्परा है कि मेडन स्पीच में टोकते नहीं हैं और बंधू समझते ही नहीं हैं । वे टैक्स इक्जेंपशन की बात कर रहे हैं और ये इसकी बात कर रहे हैं... (**व्यवधान**)

उपसभाध्यक्ष (श्री भास्कर अन्नाजी मासोदकर) : उनको कन्क्लूड करने दीजिये...(**व्यवधान**)

डा० रत्नाकर पांडेय : ओवरसीज बी०जे०पी० बनवाकर राष्ट्रपिता की बात करेंगे । ओवरसीज बी०जे०पी० बनवा कर, करोड़ों रुपया विदेशों का लाकर... (**व्यवधान**)

श्री अश्विनी कुमार : *हो गये हैं । यह शब्द चला जायेगा सदन में कि ** । क्या * कर रहे हैं आप...(**व्यवधान**) आपने यही बोला है । जरा संभाल कर बोलिये... (**व्यवधान**)

डा० रत्नाकर पांडेय : चोर की दाढ़ी में तिनका होता है ।... (**व्यवधान**)

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Ashwani Ji, I will see the record.

डा० रत्नाकर पांडेय : यह शहीदों का कारखाना है...(**व्यवधान**)...तो रखना, अदब से "गर्दन झुकाकर जाना"

श्री अश्विनी कुमार : बहुत से शहीद हुये हैं ...(**व्यवधान**) हजारों लोग शहीद हुये हैं, और भी बहुत से लोग शहीद हुये हैं...(**व्यवधान**) आपने किस किसको मारा, जरा यह भी याद रखिये । डा० मूखर्जी को काश्मीर में आपने मरवा डाला । आपको शर्म नहीं आती है...(**व्यवधान**)

उपसभाध्यक्ष (श्री भास्कर अन्नाजी मासोदकर) : अश्विनी जी आप बैठ जाइये ।

श्री अश्विनी कुमार : गांधी परिवार के नाम से वोट लेते हैं । शर्म नहीं आती है...(**व्यवधान**)

डा० रत्नाकर पांडेय : (**व्यवधान**) आप पैसा खा गये...(**व्यवधान**)

श्री अश्विनी कुमार : आपने विदेशों से पैसा लिया है । अमेरिकन **इम्बैसी** से..(**व्यवधान**) आपको याद नहीं है... (**व्यवधान**)

*Expunged as ordered by the Chair.

डा० रत्नाकर पांडेय : राजीव गांधी, जवाहर लाल नेहरू और इंदिरा गांधी की बात करने के लिये... **(व्यवधान)**

6.00 P.M.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) Please sit down. I will see the record.... (Interruptions)... Let us not escalate the issue. Raghavji how much time you would take ?

प्रो० सौरीन भट्टाचार्य : जो पब्लिक लाईफ में होते हैं, उनके बारे में बहुत सी चीजें बोली जाती हैं।... **(व्यवधान)**

SHRI BHUBANASWAR KALITA: Whatever character assassination remark has been made by the hon. Member, should be expunged. If they are demanding expunction of remarks by the Member from our side, we also demand the expunction of remarks made by their Member.

डा० रत्नाकर पांडेय : यह बेकार की बातें कर रहे हैं।... **(व्यवधान)** गांधी को गोली मारने वाले आज... **(व्यवधान)** बन गये।... **(व्यवधान)**

श्री अश्विनी कुमार : *आरोप मत लगाओ। *आरोप लगाने में आपको शर्म नहीं आती है। महात्मा गांधी को मारने वाले को हम फांसी दे चुके हैं। शर्म नहीं आती है *बोलने में। यह राज्य सभा के सदन है, जहां यह पब्लिक मीटिंग की तरह से रीएक्ट कर रहे हैं। ... **(व्यवधान)**

श्री जगदीश प्रसाद माथुर : आपने समझ क्या रखा है ?... **(व्यवधान)** कांग्रेस के लोग... **(व्यवधान)**

उपसभाध्यक्ष (श्री भास्कर अन्नाजी मासोदकर) : माथुर जी, आप बैठ जाइये।... **व्यवधान**

*Expunged as ordered by the Chair.

श्री जगदीश प्रसाद माथुर : आप गांधी की बात कर रहे हो ... **(व्यवधान)**

श्री अश्विनी कुमार : हाऊस के अन्दर बैठ कर ऐसी बात करते हो। ... **(व्यवधान)**

उपसभाध्यक्ष (श्री भास्कर अन्नाजी मासोदकर) : आप बैठ जाइये।... **(व्यवधान)**

श्री जगदीश प्रसाद माथुर : *की तरह * करते हो।... **(व्यवधान)**

डा० रत्नाकर पांडेय : हाथ कटवा कर सारे देश में क्या किया... **(व्यवधान)**

श्री जगदीश प्रसाद माथुर : कटवा लिये.... **(व्यवधान)**

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODAKAR): Md. Mathur, please sit down.

श्री जगदीश प्रसाद माथुर : यह बोफोर्स का पैसा खाने वाले कैसी बात करते हैं।... **(व्यवधान)** सारा खानदान पैसा खा गया।... **(व्यवधान)**

SHRI ASHWANI KUMAR: Don't get emotional about the names... *(Interruptions)*...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Kalita, now I am on my legs; would you please sit down?... *(Interruptions)*... You also sit down. This is not the way to carry on the debate. Making accusations and counter-accusations is not going to help us. Let us not indulge in it.

श्री जगदीश प्रसाद माथुर : प्रोवोक यह करते हैं। राजीव गांधी का... **(व्यवधान)** वह टैक्स एक्जेंपशन की बात कर रहे हैं।

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Mathur, I am on my legs. Now, let us proceed in a little orderly way and dignified way.

SHRI JAGDISH PRASAD MATHUR: We always try to help in running the House in an orderly way and dignified way. But first they provoked us...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You should not get provoked.

SHRI M. A. BABY: Any unparliamentary references made from both the sides should be removed from the record.

THE VICE-CHAIRMAN SHRI BHASKAR ANNAJI MASODKAR): If there is anything, we will remove it from the record.

SHRI M. A. BABY: Let our record not stink. Please remove upparliamentary references from the record.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): If there is anything unparliamentary, it will be removed. But if there is any expression of emotions and sentiments, it cannot be removed. This is not unparliamentary. The Members are entitled to express their sentiments...*(Interruptions)*...Mr. Kalita, again you have got up?

SHRI BHUBANESWAR KALITA: I am telling you with all the force at my command that their Member has started making references.

SHRI JAGDISH PRASAD MATHUR: What *you are talking?

आप इस को समझते ही नहीं हो और *कर रहे हैं। ...(व्यवधान) आप समझना ही नहीं चाहते। हर बहस में बात करना कोई जरूरी है। पता नहीं क्या कहते हैं। ..(व्यवधान)

*Expunged as ordered by the Chair.

डा० रत्नाकर पांडेय: यह क्या कह रहे हैं। ...(व्यवधान)

श्री जगदीश प्रसाद माथुर: पांडेय जी अकल यहां लाया करो, बाहर मत बिठा कर आया करो।

उपसभाध्यक्ष (श्री भास्कर अन्नाजी मासोदकर): राघव जी आपको कितना टाईम लगेगा।..(व्यवधान) आपको कितना समय लगेगा?

श्री राघवजी: मुझे कम से कम 10–15 मिनिट लगेंगे। (*Interruptions*)

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Pandey, you are going to speak on this Bill. You can deal with all those points then. Now, Mr. Raghavji, how much time are you going to take?

SHRI RAGHAVJI: Ten to fifteen minutes.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): No. There is a statement to be made now. We will take up the statement. Your speech will remain inconclusive. Hon. Minister.

SHRI RAGHAVJI: I will continue later.

STATEMENT BY MINISTER

Measures proposed to strengthen Public Distribution System

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES AND PUBLIC DISTRIBUTION (SHRI KAMALUDDIN AHMED): Sir, the House will kindly recall that Prime Minister had made a statement earlier in the House on the Public Distribution System and promised that a comprehensive plan to strengthen the Public Distribution System would be placed before the House.